



Patrick W. Henning, Director
May 29, 2009
22M:375:JEP:9039



Arnold Schwarzenegger
Governor

Ms. Teresa Zimny, Program Manager II
Napa Valley Workforce Investment Board
650 Imperial Way, Suite 101
Napa, CA 94559

Dear Ms. Zimny:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Napa Valley Workforce Investment Board's (NVWIB) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Ms. Jennifer Patel from December 8, 2008 through December 12, 2008.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by NVWIB with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with NVWIB representatives and service provider staff. In addition, this report includes the results of our review of selected case files, NVWIB's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on March 12, 2009, and reviewed your comments and documentation before finalizing this report. Your response adequately

addressed findings one and three cited in the draft report. We consider finding three resolved. However, finding one will remain open until we verify the implementation of your stated corrective action plan during a future onsite review. Until then, this finding is assigned Corrective Action Tracking System (CATS) number 90071. Conversely, your response did not adequately address finding two cited in the draft report, and we consider this finding unresolved. We request that NVWIB provide the Compliance Review Office (CRO) with additional information to resolve the issue that led to the finding. Therefore, this finding remains open and has been assigned CATS number 90072.

BACKGROUND

The NVWIB was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, NVWIB was allocated: \$138,001 to serve 62 adult participants; \$140,915 to serve 40 youth participants; and \$281,996 to serve 70 dislocated worker participants.

For the quarter ending September 30, 2008, NVWIB reported the following expenditures for its WIA programs: \$23,953 for adult participants; \$13,443 for youth participants; and \$63,700 for dislocated worker participants. In addition, NVWIB reported the following enrollments: 36 adult participants; 21 youth participants; and 37 dislocated worker participants. We reviewed case files for 30 of the 94 participants enrolled in the WIA program as of December 12, 2008.

PROGRAM REVIEW RESULTS

While we concluded that, overall, NVWIB is meeting applicable WIA requirements concerning grant program administration, we noted instance of noncompliance in the following areas: Workforce Investment Board (WIB) composition, oversight and monitoring, and Individual Service Strategy (ISS). The finding that we identified in these areas, our recommendations, and NVWIB's proposed resolution of the findings are specified below.

FINDING 1

Requirement: WIA 117(b)(2)(A)(v) states, in part, that the membership of each Local Board shall include representatives of each of the one-stop partners.

20 CFR Section 662.200(b)(10) states, in part, that the local area is required to have a partner who is responsible for administering

employment and training activities carried out under the Community Services Block Grant (CSBG).

Observation: The NVWIB is missing a CSBG representative. The position has been vacant for six months.

Recommendation: We recommended that NVWIB provide CRO with a corrective action plan (CAP), including a timeline, for appointing a CSBG representative to the WIB. Additionally, we recommended that NVWIB provide CRO with documentation demonstrating that this appointment was made.

NVWIB Response: The NVWIB has opened a formal recruitment through the Napa County Board of Supervisor's/County Clerk to solicit applications from Community Based Organizations that receive CSBG funds. The NVWIB believe that this recruitment will resolve this finding.

State Conclusion: The NVWIB's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we receive documentation that the vacancy has been filled by the required representative. Until then, this issue remains open and has been assigned CATS number 90071.

FINDING 2

Requirement: 20 CFR Section 667.410 states, in part, that recipients and subrecipients must conduct regular oversight and monitoring of its WIA activities.

WIAD00-7 states, in part, that monitoring of subrecipients must follow a standardized review methodology that will result in written reports which record findings, any needed corrective actions, and due dates for the accomplishment of corrective actions. Additionally, monitoring of subrecipients require systematic follow-up to ensure that necessary corrective action has been taken.

Observation: The NVWIB's monitoring report for its PY 2007-08 youth program monitoring does not identify due dates for corrective actions. Additionally, in our review of the monitoring report completed for PY 2007-08 we noted that there were findings, but we saw no documentation that any follow-up activity was completed for these findings.

Recommendation: We recommended that NVWIB provide CRO with a CAP stating how it will ensure that due dates for corrective actions are included in monitoring reports and that systematic follow-up is conducted. Finally, we recommended that NVWIB provide CRO with the results of its follow-up activities for findings from its PY 2007-08 monitoring report.

NVWIB Response: The NVWIB believe they have complied with 20 CFR Section 667.410 in its regular and routine oversight activities of the One-Stop operator. This oversight includes but is not limited to program performance reports and indicators, financial reporting, return on investment analysis, and formal monitoring of the One-Stop program. The NVWIB concurs with the State observation that one component of their overall oversight program monitoring did not note follow-up timelines. The NVWIB plans to mitigate this by drafting a WIB Monitoring Protocol that will include monitoring activities, timelines and follow-up expectations. This protocol will be completed by April 30, 2009 and sent to the State shortly thereafter.

As a result of findings from NVWIB's PY 2007-08 monitoring report, the One-Stop operator has re-configured the career resource room and is implementing processes to mitigate deficiencies noted in the PY 2007-08 report. Additionally, the One-Stop operator is currently re-designing protocols to more effectively and transparently communicate with community stakeholders and customers.

State Conclusion: Based on NVWIB's response, we cannot resolve this issue at this time. While NVWIB provided a CAP, NVWIB has not provided CRO with the results of its follow-up activities for the findings identified in its PY 2007-08 monitoring report. Until CRO receives a copy of the follow-up activities, this finding remains open and has been assigned CATS number 90072.

FINDING 3

Requirement: 20 CFR 664.215 states, in part, that all youth participants must be registered in order to participate in the youth program.

WIAD04-18 states, in part, that all youth must be determined eligible and registered in order to receive services funded under Title 1-B of WIA.

WIA 129(c)(1)(A) and (B) states, in part, that funds allocated to a local area for eligible youth shall be used to carry out programs that provide objective assessments and develop service strategies for each participant.

Observation:

We found that the ISS for 10 of 30 youth participants was completed prior to the youth being determined eligible and prior to being registered in the WIA program. The ISS was completed 14 to 70 days prior to the participant's registration. The NVWIB stated they are aware of this error and procedures are in place to help correct it.

Recommendation:

We recommended that the NVWIB provide CRO with a CAP stating how it will ensure, in the future, that all services, including the development of the ISS, are provided after eligibility has been determined and the youth has been enrolled in the WIA program.

**NVWIB
Response:**

The NVWIB stated that they discovered eight months ago during a Quality Assurance review that Youth Case managers were starting the ISS prior to enrollment. At this time, verbal direction was given to the worker and supervisor to stop the development of the ISS before enrollment. Since that time, this error has not occurred. The NVWIB will be updating their Intake Flow and Enrollment Determination policy and procedure to include this direction.

State Conclusion:

Based on the case file review, we noted that this error did not occur during the time period NVWIB initiated Quality Assurance; therefore, we consider this finding resolved.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Office. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than June 26, 2009. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Office
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is NVWIB's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain NVWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-7005 or Ms. Jennifer Patel at (707) 576-2017.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", written in a cursive style.

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Terri Austin, MIC 50
Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Dathan Moore, MIC 50